

the affidavit and photographs of Chris Horak establish, Ameritech Michigan's trucks and equipment were clearly used by the affiliate, Ameritech NewMedia, to install its cable network. (See Exhibit 10.) Yet, Ameritech Michigan failed to report this affiliate transaction. Without such a report, it is impossible for the MPSC to determine whether Ameritech Michigan complied with the TSLRIC requirements set forth in Section 308 of the MTA. These examples under the MTA demonstrate that informational reporting requirements must be in place and utilized to test compliance with Section 272 before Ameritech is allowed into the interLATA market.

V. MARKET CONDITIONS DO NOT JUSTIFY ALLOWING AMERITECH MICHIGAN TO ENTER THE IN-REGION INTERLATA LONG DISTANCE MARKET AT THIS TIME

A. Within The State Of Michigan, Access To Municipal Rights-Of-Way Is Not Available On A Nondiscriminatory Basis

1. Many Local Municipalities Are Imposing Extensive Regulations And Franchise Fees On New Providers

A number of Michigan municipalities have enacted telecommunications ordinances which would require new telecommunications providers to obtain franchises, pay franchise fees and comply with other onerous conditions before being permitted to provide telecommunications services within their municipality. For limited example, the City of Troy passed a telecommunications ordinance proposing a franchise formation fee of \$10,000.00 and an annual fee which could equal five percent of gross revenue. Section 9(1) of Troy's Telecommunication Ordinance states:

"(1). . . a Grantee shall pay:

- (a) A Franchise formation fee (i) for Franchises of \$10,000.00; or, (ii) for Licenses of \$2,000.00; and
- (b) An annual fee equal to the lesser of (i) 5 % of its gross revenue, or (ii) an amount determined as set forth in subsection (2)." (Exhibit 11.)

Yet, these are not the only onerous conditions imposed by the Troy Ordinance, which further provides:

A. "The rates and charges of a Grantee . . . shall be subject to regulation by the City Changes to rates and charges shall only be made after notice, hearing, and other requirements provided by law." (Chapter 62, paragraph 8.)

B. ". . . a Telecommunication System shall be interconnected with other Telecommunication Systems within the City for the purpose of facilitating the provision of universal service in the City. . . . The cost of such interconnection shall be equally shared by each Grantee." (Chapter 62, paragraph 12(4).)

C. "However, if any such state or federal law or regulation shall require a Grantee to perform any service, or shall allow a Grantee to perform any service, or shall prohibit a Grantee from performing any service, in conflict with the terms of the License or Franchise, or of any law or regulation of the City Notwithstanding such conflict, the Grantee shall comply with the terms of the License or Franchise unless released by the City." (Chapter 62, paragraph 10(3).)

D. "An accurate and comprehensive file shall be kept by a Franchise Grantee of all Subscriber and user complaints regarding the Telecommunication System. A procedure shall be established by the Grantee by the time of installation of the system to quickly and reasonably remedy complaints to the satisfaction of the City. Complete records of Grantee's actions in response to all complaints shall be kept. These files and

records shall remain open to the public during normal business hours." (Chapter 62, paragraph 15(3).)

E. ". . . if the Grantee . . . provides a new service, facility, equipment . . . to any other community which it serves within the State of Michigan, the same shall be provided in or to the City." (Chapter 62, paragraph 12(1).)

F. "In the event a Franchise Grantee enters into an agreement with a public entity in Oakland County, Macomb County, or Wayne County, excluding Detroit, and agrees to a formula or method for determining franchise fees which if applied in the City would yield greater revenues than the formula or method set forth in the franchise for the right to operate a Telecommunications System the Grantee shall grant a pro rata credit to its Troy subscribers so as to cause a redistribution of the excess to Troy's subscribers." (Chapter 62, paragraph 27(1).)

G. "The Grantee of a Franchise shall annually file with the City Clerk fifteen copies (15) of its annual financial reports, including its annual income statement, a balance sheet, and a statement of its properties devoted to Telecommunication System operations. A Grantee shall submit such reasonable information as may be requested by the City with respect to its property and revenues, expenses or operations within the City. All information provided to the City shall be maintained by the City as proprietary and confidential." (Chapter 62, paragraph 15(2).) (Exhibit 11.)

Likewise, the City of Dearborn has an ordinance which requires a telecommunications franchise and franchise fee based on the value of the telecommunications services being provided. Section 1.10 of the Dearborn Ordinance states:

"In recognition of the unique character of telecommunications franchises, a franchise fee shall be determined through a negotiated franchise fee procedure **based upon the value of services** for similar agreements and other pertinent factors." (Exhibit 12.)

At least one other city requires the provision of free fiber optics by new providers. In addition, a number of other cities are considering or attempting to impose similar franchise regulations and fees.

2. *Ameritech Michigan Claims To Be Exempt Or Grandfathered From Municipal Franchise Regulations And Fees*

Ameritech Michigan claims to be exempt from municipal franchise regulation as a result of its incorporation in 1904 under 129 PA 1883. Therefore, Ameritech Michigan denies any obligation to apply for franchises from local municipalities, to comply with the extensive municipal franchise regulations or to pay franchise fees. Ameritech Michigan claims:

"Ameritech Michigan also has a state-granted franchise by virtue of its incorporation in 1904 under Public Act 129 of 1883 and that of its predecessor corporation, Michigan Telephone Company, dating back to 1877. . . . a telephone company with a state-granted franchise need not obtain a local municipality's franchise to provide intrastate telecommunications services nor to carry out construction necessary to provide those services . . . (December 16, 1996 Submission of Information, MPSC Case No. U-11104.)

As a result of its incorporation under an Act passed in 1883, Ameritech Michigan denies that it is required to obtain municipal franchises, comply with municipal franchise regulations or pay municipal franchise fees.

3. *Local Municipalities Are Not Imposing These Extensive Franchise Regulations On Ameritech Michigan Because Of Its Claimed Grandfathered Status*

Local municipalities are not imposing their telecommunication franchise ordinances (which contain extensive regulations and franchise fees) on Ameritech Michigan. For

example, the City of Troy, which enacted its Telecommunications Ordinance in December of 1995, to date, has not required Ameritech Michigan to obtain a franchise, comply with any franchise regulations or pay any franchise fee. The reason for Troy's failure to do so is either Troy's belief that Ameritech Michigan is entitled to grandfathered status or, in the alternative, that it would be too expensive to mount a legal challenge against Ameritech Michigan's claim to grandfathered status. In discussing Troy's claimed right to require local franchises, Troy Councilman Randy Husk stated:

"Husk smiled when he said, "We all recognize at this time we can't apply these rights to regulate phone service of Ameritech." He did speculate that if municipalities joined together, he suspected they could overturn Ameritech's protected status that dates back to 1904. He said one city couldn't fight them alone." (Exhibit 13.)

As a result, Ameritech Michigan is not being required to comply with the Troy ordinance.⁷

Similarly, the City of Dearborn has not sought to impose its franchise requirements on Ameritech Michigan. TCG is currently seeking relief in federal court because the City of Dearborn is insisting that TCG obtain a municipal telecommunications franchise and pay a franchise fee, when the City of Dearborn is not requiring the same franchise or franchise fee from Ameritech Michigan. In its complaint, TCG alleges:

"Dearborn has not applied its Regulatory Ordinance against Michigan Bell, TCG Detroit's major competitor, and the dominant local telecommunication's provider in Dearborn. It

⁷A year after the enactment of its ordinance, Troy asked Ameritech Michigan to apply for a municipal franchise. (Exhibit 14.) It is far from clear whether Troy's mere request to Ameritech Michigan will result in Troy insisting on Ameritech Michigan's compliance with its ordinance. To date, Ameritech has not made any application. (Exhibit 15.)

does not charge the dominant provider the "franchise fees" it demands of TCG Detroit. It does not demand a "franchise" or a "franchise agreement" under its Regulatory Ordinance from Michigan Bell as it demands of TCG Detroit. Nonetheless, TCG Detroit's major competitor and dominant provider continues to operate freely in Dearborn without restriction, without local franchise regulation, and without payment of franchise fees, while TCG Detroit's efforts to compete in Dearborn are substantially restricted." (Exhibit 16.)

As a result, it is clear that local municipalities are not imposing the same requirements on Ameritech Michigan as they are imposing on new providers seeking to enter the local telephone market.

4. *New Providers Must Be Given The Same Treatment As Ameritech Michigan To Ensure Nondiscriminatory Access To Poles And Rights-Of-Way*

a. *Michigan's Governor Engler Recognizes The Current Treatment To Be "Discriminatory"*

Michigan's Governor John Engler has recognized that this imposition of local franchise fees upon new market entrants is discriminatory and deprives citizens of the opportunity to obtain competitive telecommunications services. In responding to the Mayor of Romulus' request that the Governor support efforts to change FCC rules with respect to utilization of public rights-of-way, Governor Engler wrote:

"While I certainly support state control over intrastate telecommunications issues, I am troubled by the recent **discriminatory actions** taken by some municipalities in Michigan. I believe communities ought to be looking for ways to attract new telecommunications companies. Instead, some are trying to circumvent Michigan law and assess illegal franchise fees. Actions taken by the City of Troy, for example, discourage investments in Michigan communities, depriving

citizens of competitively priced telecommunications services."
(Exhibit 17, emphasis added.)

The current circumstance where municipalities discriminatorily apply franchise fees on new market entrants significantly impairs the creation of competitive local markets.

*b. Ameritech Michigan Admits That Such Local Regulation Is A
"Competition Inhibitor"*

Even Ameritech Michigan, itself, recognizes that the application of these municipal franchise ordinances on new market entrants has an anti-competitive effect. Ameritech Michigan's Vice President of Corporate Planning, Harry Semerjian, has called the Troy Ordinance a "competition inhibitor." (Wallstreet Journal, December 23, 1996, Section A, page 7.) Thus, Ameritech Michigan recognizes that municipal franchise ordinances imposing extensive conditions and franchise fees on new market entrants inhibit the creation of competition.

*5. Significant Impediments To Competition Will Exist If New Providers
Have To Comply With Extensive Local Regulations And Pay Up To
Five Percent Of Their Gross Revenues To Municipalities If Ameritech
Michigan Is Not Subject To The Same Regulations And Fees*

If competition in the local telephone market is to exist, new market entrants must not face onerous regulations which apply only to them, and not Ameritech Michigan. For example, in Troy, a new market entrant may have to pay up to five percent of its gross revenue as a franchise fee while Ameritech Michigan would not. Given all of the other hurdles a new market entrant must overcome, it will never be able to penetrate a local market in any significant respect if it must pay five percent of its gross revenues to the municipality while the entrenched incumbent does not. In addition to the imposition of franchise fees, new

market entrants face an array of other costly franchise requirements such as providing free fiber optics and free services to the municipality. Clearly, competition will never flourish in Michigan if new entrants are hindered with discriminatory and burdensome local franchise regulation, while Ameritech Michigan is given preferential treatment.

6. *As A Result, Nondiscriminatory Access Is Not Available In Michigan*

Within the State of Michigan, new providers do not have access to the poles and rights-of-way owned or controlled by Ameritech Michigan on a nondiscriminatory basis. Within the State of Michigan, municipalities are imposing substantial regulations and franchise fees on new providers before the new providers may have access to the poles and rights-of-way utilized by Ameritech Michigan. These municipalities are not imposing these same extensive regulations and franchise fees on Ameritech Michigan.

It is inconsistent with the public interest, convenience and necessity to allow Ameritech Michigan to enter the in-region long distance market when such significant impediments exist for facilities-based competitors to penetrate the local telephone market. It cannot be seriously disputed that this disparate treatment is discriminatory and prevents competitively-priced local exchange services to be offered by facilities-based providers. (See Governor Engler's letter to Mayor of Romulus, Exhibit 17.) Even Ameritech Michigan recognizes that such local regulation is "a competition inhibitor." Until new providers are treated equally with Ameritech Michigan, it is not in the public interest to allow Ameritech Michigan to enter the in-region interLATA market because significant barriers exist with respect to others penetrating its market.

B. Premature Entry Into The InterLATA Market Is A Disastrous Policy

Section 271(c)(1)(A) of the Federal Act expressly provides that a Bell Operating Company's entry into the in-region interLATA market is contingent upon it providing access and interconnection in accordance with the competitive checklist to a facilities-based local exchange competitor that serves both business and residential subscribers. As the FCC has recognized, the Bell Operating Companies "have no economic incentive, independent of the incentives set forth in Sections 271 and 274 of the 1996 Act, to provide potential competitors with the opportunities to interconnect and make use of the incumbent LECs network services." (In the Matter of the Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Docket No. 96-98, rel'd August 8, 1996 at ¶55). Likewise, in discussing the Senate version of Section 271 which was adopted by the Conference Committee, Senator Kerrey stated that: "The way to overcome this ability of the RBOCs to thwart the open local markets is to give them a positive incentive to cooperate in the development of competition." (141 Congressional Record S8139 daily edition June 12, 1995.) Likewise, during House consideration of the Conference Report, Representative Hastert stated that: "Fair competition means local telephone companies will not be able to provide long-distance service in the region where they have held a monopoly until several conditions have been met to break that monopoly." (142 Congressional Record H1152, daily edition, February 1, 1996).

Premature entry by Ameritech Michigan into the in-region interLATA market will thwart the objective of promoting local telephone competition. Once allowed into the market,

Ameritech Michigan will no longer have the same incentive to ensure that it is providing the access and interconnection to its bottle-neck facilities necessary to allow local competition to exist. If Michigan consumers are to benefit from deregulation, then the regulators must ensure that there are facilities-based competitors actually competing for residential subscribers. This clearly is not the case within Michigan and as a result Ameritech Michigan's application under Track A of the Federal Act is premature.

C. The Public Harm Outweighs The Benefit of Premature Entry

Once Ameritech Michigan is allowed into the in-region interLATA market, it will be able to immediately begin to provide those services. The public benefit of such market entry is limited because there are already numerous competitors in the long distance market. In comparison, those seeking to penetrate Ameritech Michigan's market face considerable obstacles and time delays rolling out their facilities to provide local telephone service. Yet, once Ameritech is allowed in the in-region interLATA market, it will lack any incentives to cooperate in allowing competition to come into existence. This public harm far outweighs any public good that may result from allowing Ameritech Michigan into an already competitive long distance market.

VI. CONCLUSION

Ameritech Michigan is not in compliance with the 14-item competitive checklist set forth in Section 271 because it has failed to satisfy item 3 which requires nondiscriminatory access to Ameritech Michigan poles and rights-of-way at just and reasonable rates. Based

on the FCC methodology adopted by the Michigan Legislature in Section 361 of the MTA⁸, the maximum allowable pole rate for Ameritech Michigan is \$1.20 per pole/per year. For some inexplicable reason, Ameritech Michigan has failed to offer any support for its \$1.97 pole rate tariff. Even more troubling is the fact that Ameritech Michigan continues to attempt to collect a pole rate of \$2.88 and is dunning attaching parties, despite the MPSC's rejection of the \$2.88 tariff and Ameritech Michigan's withdrawal of the tariff and its tacit admission that this rate is excessive. Clearly, Ameritech Michigan is not providing access to its poles at just and reasonable rates.

Additionally, Ameritech Michigan's request for interLATA relief based on Track A requires the existence of facilities-based competition for residential customers. Yet, Ameritech Michigan has made no showing that any residential customer is receiving service over loops owned and deployed by a competitor. In fact, the MPSC itself has recognized that there is no competition in the local telephone market, either facilities-based or not. Ameritech Michigan has shown less than 4,000 residential customers receiving service from a competing provider when it has over 3.2 million residential access lines.

In addition to failing to satisfy the competitive checklist and its prerequisites, Ameritech Michigan's entry into the in-region interLATA market is not in the public interest. If Michigan consumers are to benefit from deregulation in the telecommunications field, the regulators must ensure that there is real facilities-based competition for residential customers before allowing Ameritech Michigan to enter the in-region interLATA market. Once allowed

⁸MCL 484.2361; MSA 22.1469(361).

into the interLATA market, Ameritech Michigan will not have the same incentives to ensure access to its bottlenecked facilities. As a result, premature entry by Ameritech Michigan will be disastrous because the incentives to ensure a competitive local market will no longer exist.

Further, within the State of Michigan, access to municipal rights-of-way is not available on a nondiscriminatory basis. Many local municipalities are imposing extensive regulations and franchise fees on new providers, but based on Ameritech Michigan's claimed exemption from such regulations, the same requirements are not being imposed on Ameritech Michigan. It cannot be seriously disputed that this disparate treatment is both discriminatory and a competition inhibitor. As a result of this discriminatory treatment, it is not in the public interest to allow Ameritech to enter the in-region long distance market when such a significant barrier exists for others to penetrate its market.

Also, Ameritech Michigan's request for interLATA relief should be rejected because Section 272, which establishes nonaccounting safeguards, has not been fully implemented. The information reporting requirements to ensure Ameritech's compliance with these safeguards have not yet been promulgated. Sound public policy should require that Section 272 be fully implemented and the informational reporting requirements be in place to test Ameritech Michigan's compliance before it is allowed into the in-region interLATA market.

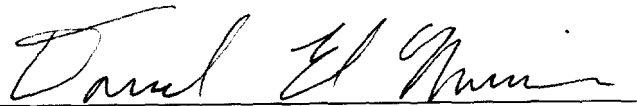
MCTA's Comments
Ameritech Michigan
Michigan

For these reasons, this Commission should find that Ameritech Michigan is not in compliance with the competitive checklist, that Ameritech Michigan's application is premature and that Ameritech Michigan's request for entry into the in-region interLATA market is not in the public interest at this time.

Fraser Trebilcock Davis & Foster, P.C.
Attorneys for The Michigan Cable
Telecommunications Association

Dated: February 5, 1997

By:



David E. S. Marvin (P26564)

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FRASER
TREBILCOCK
DAVIS &
FOSTER,
P.C.
LAWYERS
LANSING,
MICHIGAN
48933



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ALL STATE LEGAL 800-222-0510 ED

CALCULATION OF MAXIMUM POLE ATTACHMENT RATE

Ameritech Michigan

Year End 1995

Calculated by Paul Glist

Calculated: 8/23/96

Data

Source

Net Investment Per Bare Pole

\$22.36 Calculated as indicated

Gross Investment in Pole Plant

\$73,528,725.00 See Data Entry

-Depreciation Reserve for Poles

\$57,503,860.00 See Data Entry

-Accumulated Deferred Taxes

\$5,806,262.64 See Data Entry

=Net Investment in Pole Plant

\$10,218,602.36 Calculated as indicated

-Net Investment in Appurtenances (5%)

\$510,930.12 Calculated as indicated

=Net Investment in Bare Pole Plant

\$9,707,672.24 Calculated as indicated

/Number of Poles

434,177 See Data Entry

=Net Investment per Bare Pole

\$22.36 Calculated as indicated

CARRYING CHARGES**Maintenance**

Chargeable Maintenance Expenses

\$479,000.00 See Data Entry

/Net Investment in Pole Plant

\$10,218,602.36 See Module Above

=Maintenance Carrying Charge

4.69% Calculated as indicated

Maintenance Expense for Bare Pole

\$455,050.00 Calculated as indicated

Depreciation

Annual Depreciation Rate for Poles

5.70% See Data Entry

Gross Investment in Pole Plant

\$73,528,725.00 See Module Above

/Net Investment in Pole Plant

\$10,218,602.36 See Module Above

=Gross/Net Adjustment

719.56% Calculated as indicated

Deprec Rate Applied to Net Pole Plant

41.01% Calculated as indicated

Depreciation Expense for Bare Pole

\$3,981,580.46 Calculated as indicated

Administrative

Administrative Expenses

\$244,123,000.00 See Data Entry

Total Plant In Service

\$7,749,926,570.00 See Data Entry

-Depreciation Reserve for TPIS

\$3,604,827,895.00 See Data Entry

-Accumulated Deferred Taxes

\$611,980,000.00 See Data Entry

=Net Plant in Service

\$3,533,118,675.00 Calculated as indicated

Administrative Carrying Charge

6.91% Calculated as indicated

Administrative Expense for Bare Pole

\$670,757.56 Calculated as indicated

Taxes

Normalized Tax Expense

\$341,424,617.00 See Data Entry

Total Plant In Service

\$7,749,926,570.00 See Data Entry

-Depreciation Reserve for TPIS

\$3,604,827,895.00 See Data Entry

-Accumulated Deferred Taxes

\$611,980,000.00 See Data Entry

=Net Plant in Service

\$3,533,118,675.00 Calculated as indicated

Tax Carrying Charge

9.66% Calculated as indicated

Tax Expense for Bare Pole

\$ 938,105.56 Calculated as indicated

Return

Public Data

Return Authorized by State	10.43%	See Data Entry
Return Expense for Bare Pole	\$ 1,012,510.21	Calculated as indicated

Total Carrying Charges	72.71%	Calculated as indicated
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Recapitulation of Carrying Costs

Maintenance Expense for Bare Pole	\$455,050.00	See Module Above
Administrative Expense for Bare Pole	\$ 670,757.56	See Module Above
Taxes	\$ 938,105.56	See Module Above
Depreciation	\$ 3,981,580.46	See Module Above
Return	\$ 1,012,510.21	See Module Above
Total Annual Cost	\$ 7,058,003.80	Calculated as indicated
Annual Cost per Pole	\$ 16.26	Calculated as indicated

Allocation of Annual Carrying Costs

Space Occupied by Cable	1.0	FCC Rule
/Total Useable Space	13.50	FCC Rule
Charge Factor	7.41%	Calculated as indicated

Maximum Rate

Net Investment Per Bare Pole	\$22.36	See Module Above
*Carrying Charges	72.71%	See Module Above
Carrying Cost	\$ 16.26	Calculated as indicated
*Charge Factor	7.41%	See Module Above
=MAXIMUM RATE	\$1.20	Calculated as indicated

DATA ENTRY AND SOURCE (ARMIS)

	Account	Table	Source
Gross Investment in Pole Plant	\$73,528,725.00	2411(af)	B-1-2 ARMIS 43-02
Gross Investment in Total Plant	\$7,749,926,570.00	240(af)	B-1-2 ARMIS 43-02
Depreciation Reserve for Pole Plant	\$57,503,860.00	0390(j)	B-5-4 ARMIS 43-02
Depreciation Reserve for TPIS	\$3,604,827,895.00	0490(j)	B-5-4 ARMIS 43-02
Pole Maintenance Expense	\$479,000.00	6411(ac)	I-1-2 ARMIS 43-02
		6411(af)	I-1-2 ARMIS 43-02
Depreciation rate for Poles (FCC)	5.70%	FCC	
Administrative Expense 1	\$231,644,000.00	6710(ab)	I-1-3 ARMIS 43-02
Administrative Expense 2	\$12,479,000.00	6720(ab)	I-1-3 ARMIS 43-02
Taxes	\$341,424,617.00	7200(bb)	I-1-5 ARMIS 43-02
Accumulated Deferred Taxes	\$611,980,000.00	4100(bb)	B-1-3 ARMIS 43-02
		4340(bb)	B-1-4 ARMIS 43-02
Accumulated Deferred Taxes (Prorated to Poles)	\$5,806,262.64	Calculated as indicated	
Overall Rate of Return (Last Rate Case)	10.43%	PSC	
Number of Poles	434,177	0330(v)	S-1, I.A. ARMIS 43-08



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CALCULATION OF MAXIMUM POLE ATTACHMENT RATE	
Ameritech Michigan	
Year End 1993	
State of Michigan	
Calculated: 6/14/95	
Calculated by: Paul Glist	
Net Investment Per Bare Pole	\$25.57
Gross Investment in Pole Plant	\$71,533,000.00
-Depreciation Reserve for Poles	\$53,097,000.00
-Accumulated Deferred Taxes	\$6,556,679.07
= Net Investment in Pole Plant	\$11,879,320.93
-Net Investment in Appurtenances (5%)	\$593,966.05
= Net Investment in Bare Pole Plant	\$11,285,354.88
/Number of Poles	441,271
= Net Investment per Bare Pole	\$25.57
Carrying Charges	
Maintenance	
Chargeable Maintenance Expenses	\$598,000.00
/Net Investment in Pole Plant	\$11,879,320.93
= Maintenance Carrying Charge	5.03%
Depreciation	
Annual Depreciation Rate for Poles	5.60%
Gross Investment in Pole Plant	\$71,533,000.00
/Net Investment in Pole Plant	\$11,879,320.93
= Gross/Net Adjustment	602.16%
Deprec Rate Applied to Net Pole Plant	33.72%
Administrative	
Administrative Expenses	\$259,919,000.00
Total Plant In Service	\$7,411,343,000.00
-Depreciation Reserve for TPIS	\$3,110,713,000.00
-Accumulated Deferred Taxes	\$679,320,000.00
= Net Plant in Service	\$3,621,310,000.00
Administrative Carrying Charge	7.18%
Taxes	
Normalized Tax Expense	\$281,125,000.00
Total Plant In Service	\$7,411,343,000.00
-Depreciation Reserve for TPIS	\$3,110,713,000.00
-Accumulated Deferred Taxes	\$679,320,000.00
= Net Plant in Service	\$3,621,310,000.00

Tax Carrying Charge	7.76%
Return	
Return Authorized by State	13.83%
Total Carrying Charges	67.53%
Allocation of Annual Carrying Costs	
Space Occupied by Cable	1.0
/Total Useable Space	13.5
Charge Factor	7.41%
Maximum Rate	
Net Investment Per Bare Pole	\$25.57
*Carrying Charges	67.53%
*Charge Factor	7.41%
= MAXIMUM RATE	\$1.28
DATA ENTRY AND SOURCE (ARMIS)	
Gross Investment in Pole Plant	\$71,533,000.00
Gross Investment in Total Plant	\$7,411,343,000.00
Depreciation Reserve for Pole Plant	\$53,097,000.00
Depreciation Reserve for TPIS	\$3,110,713,000.00
Pole Maintenance Expense	\$598,000.00
Depreciation rate for Poles (FCC)	5.60%
Administrative Expense 1	\$246,656,000.00
Administrative Expense 2	\$13,263,000.00
Taxes	\$281,125,000.00
Accumulated Deferred Taxes	\$679,320,000.00
Accumulated Deferred Taxes (Prorated to Poles)	\$6,556,679.07
Overall Rate of Return (Last Rate Case)	13.83%
Number of Poles	441,271



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State of Michigan
John Engler, Governor

Department of Consumer & Industry Services
Kathleen M. Wilbur, Director

Public Service Commission

6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909-7721
517-334-6445

Commissioners

John G. Strand
John C. Shea
David A. Svanda

September 16, 1996

Gail Torreano
Ameritech-Michigan
201 North Washington Square, Suite 920
Lansing, Michigan 48933

Dear Ms Torreano:

The enclosed, proposed tariffs, filed under Advice No. 2488 dated May 31, 1996, are being returned without being processed. The proposed tariffs show an issue date of May 31, 1996 and an effective date of January 1, 1996. Per the Commission order in case no. U-10064, effective dates of filed tariffs must be on or after their respective issue dates.

Sincerely,

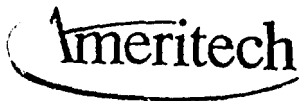
William J. Celio, Director
Communications Division

Enclosure



RECYCLED

ALL-STATE™ LEGAL 800-222-0510 ED11



Public Policy
444 Michigan Avenue
Room 1540
Detroit, MI 48226
Office: (313) 223-7549

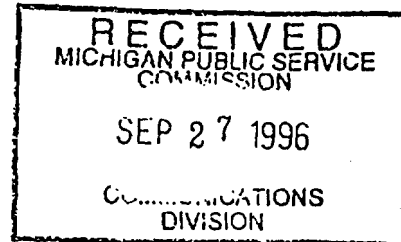
Nancy M. Short
Director

September 27, 1996

Mr. William J. Celio
Director-Communications Division
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Advice No. 2530

Dear Mr. Celio:



The attached four (4) sets of tariff sheets are sent to you for issuance and filing, as authorized in the following Commission Order:

PA 179 as amended by 1995 PA 216

Tariff M.P.S.C. No. 20R

Number of Sheets

36

The attached tariff sheets are being issued to add/revise material previously introduced regarding Pole Attachment and Conduit Occupancy Accommodations in compliance with the requirements set forth in FCC 96-325, the Federal Communication Commission's First Report and Order in CC. Docket 96-98 released on August 8, 1996.

Also included is a Word for Windows Version 6.0 diskette file copy of the tariff sheets.

As an acknowledgment that this filing has been received, we request the return of the COPY letter and one set of the attached sheets, stamped by the Commission, to me at the above address.

Sincerely,

Enclosures





OCT 20, 1996

HORIZON CABLE 1
LIMITED PARTNERSHIP
2598 LANSTING RD ROOM:
CHARLOTTE
MI 48813-

RE: ORDER# C6543 * REMINDER NOTICE *

DEAR TONYA REESE:

OUR RECORDS INDICATE THAT PAYMENT HAS NOT BEEN RECEIVED FOR THE PAST
DUE AMOUNT ON YOUR BILL DATED 1996/09/20 OF 780.48.

THE REGIONAL BILLING OFFICE URGES YOU TO MAIL YOUR PAYMENT IN FULL WITHIN
15 DAYS, OR CALL TO ARRANGE A SATISFACTORY PAYMENT PLAN. THE BILLING
OFFICE CAN BE REACHED AT 1-800-225-1867.

IF YOUR PAYMENT IS ON ITS WAY, PLEASE DISREGARD THIS NOTICE.

THANK YOU,

BCATS BILLING OFFICE

DETACH AND MAIL THIS SECTION WITH YOUR CHECK FOR TOTAL AMOUNT DUE. MAKE
CHECK PAYABLE TO AMERITECH.

BCATS BILLING

ACCOUNT NUMBER
C6543

BILL ISSUED
1996/09/20

MAIL PAYMENT TO:
AMERITECH
P.O. BOX 92471
CHICAGO, ILLINOIS
60675-2471

DUE DATE
NOV 4, 1996

PAST DUE AMOUNT
780.48